

# **LESSON 21**

## **149-157**

# **Power of Interest Groups**

# WHAT FACTORS MAKE INTEREST GROUPS STRONG?

## SIZE

- **More members = more money, more votes**
- **More members also mean greater cross-pressure among members and possibly less focus**
- **As size increases, free rider problem increases.**
  - **Free riders are people who benefit from the interest group without making any contribution.**
  - **i.e., an elderly person will benefit from the group's lobbying efforts whether or not he joins AARP.**
  - **IG try to prevent this by giving incentives for people to join the group.**

## SPREAD

- **The extent to which membership is concentrated or dispersed - is important**

# WHAT FACTORS MAKE INTEREST GROUPS STRONG?

## ORGANIZATIONAL STRUCTURE: CENTRALIZED OR DECENTRALIZED

- An organization with separation of powers tends to be less cohesive than a centralized, disciplined group

## LEADERSHIP

- Leaders may either bring the various elements of a group together or sharpen their disunity

## RESOURCES

- Money
- Expertise
- Reputation
- Connections
- Volunteers

# WHAT ARE EFFECTIVE TACTICS (TECHNIQUES) OF INTEREST GROUPS?

## MASS MAILING (COMPUTERIZED AND TARGETED)

## LITIGATION (USED BY NAACP, ACLU, NOW, ETC.)

- *Amicus curiae* briefs - someone who is not a party to a case who offers information that bears on the case but that has not been solicited by any of the parties to assist a court

## USE OF MASS MEDIA

- Independent expenditures
- Issue advocacy

## BOYCOTTING

# WHAT ARE EFFECTIVE TACTICS (TECHNIQUES) OF INTEREST GROUPS?

## ELECTIONEERING

- Funneling volunteers to campaigns
- Encouraging members to vote
- Campaign contributions
- Endorsement of candidates
- “Targeting” of unfriendly candidates
- Issuing “report cards” to rate candidates

## INITIATIVE, REFERENDUM AND RECALL AT STATE AND LOCAL LEVELS

## LOBBYING

# **INTEREST GROUPS AND AMERICAN DEMOCRACY**

## **THE POWER ELITE THEORY**

- **A small number of super rich individuals, powerful corporate interest groups, and large financial institutions dominate key policy areas.**
- **PACs encourage a close connection between money and politics.**

# INTEREST GROUPS AND AMERICAN DEMOCRACY

## THE PLURALIST THEORY

- **Many interest groups compete for power in a large number of policy areas.**
- **Pluralists emphasize that America's fragmented federal system and division of power into three branches provides many points of access to influence.**
- **As a result, no one group can dominate the entire system.**
- **Pluralism: growth of interest groups prevents the concentration of excessive power in the hands of few, and thus enhances democracy → rebuttal: wealthier groups tend to be over-represented, and poorer groups tend to be under-represented.**

# **INTEREST GROUPS AND AMERICAN DEMOCRACY**

## **THE HYPERPLURALIST THEORY**

- **There are too many interest groups trying to influence public policy.**
- **When political leaders try to appease competing interest groups, they often create policies that are confusing and at times contradictory. As a result, legislators avoid making hard choices that are in the national interest.**
- **i.e., anti-smoking campaigns by public health groups and subsidizing the crops of tobacco farmers.**



# THE INFLUENCE OF LOBBYISTS

## WHAT IS LOBBYING?

- **Attempting to influence the decisions of policymakers.**
- **Interest group lobbying is generally most effective on narrow technical issues that are not well publicized (nobody has expertise on the issue except for the lobbyist)**

# THE INFLUENCE OF LOBBYISTS

## WHO ARE LOBBYISTS AND WHAT DO THEY DO?

- **A person who is employed by and acts for an organized interest group or corporation to try to influence policy decisions and positions in the executive branch (bureaucratic agency) and legislative branch (congressional committee)**
  - **Influence governmental decisions, especially legislation**
  - **Provide information to Government (Lobbyist = policy specialist, congressman = policy generalist)**
  - **Testify at hearings**
  - **Help write legislation**

# THE INFLUENCE OF LOBBYISTS

## WHO ARE LOBBYISTS AND WHAT DO THEY DO?

- **The revolving door is the employment cycle from government to interest group**
  - **Government employee to lobby the agency they came from is illegal**  
→ **conflict of interest**
  - **Congress to lobbyist is legal (with a “cooling off” period)**
  - **Iron triangles are mutually supporting relationships among**
    - **Interest groups**
    - **Congressional committees and subcommittees**
    - **Government agencies**

**Total Lobbying Spending****Number of Lobbyists\***

1998		\$1.45 Billion	1998		10,406
1999		\$1.45 Billion	1999		12,933
2000		\$1.57 Billion	2000		12,536
2001		\$1.64 Billion	2001		11,831
2002		\$1.83 Billion	2002		12,113
2003		\$2.06 Billion	2003		12,913
2004		\$2.20 Billion	2004		13,167
2005		\$2.44 Billion	2005		14,071
2006		\$2.64 Billion	2006		14,496
2007		\$2.88 Billion	2007		14,838
2008		\$3.30 Billion	2008		14,196
2009		\$3.50 Billion	2009		13,788
2010		\$3.55 Billion	2010		12,966
2011		\$3.33 Billion	2011		12,712
2012		\$3.31 Billion	2012		12,436
2013		\$3.21 Billion	2013		12,281

NOTE: Figures are on this page are calculations by the Center for Responsive Politics based on data from the Senate Office of Public Records. Data for the most recent year was downloaded on January 27, 2014.

# TOP SPENDERS - 2013

Lobbying Client	Total
US Chamber of Commerce	\$74,470,000
National Assn of Realtors	\$38,584,580
Blue Cross/Blue Shield	\$22,510,280
Northrop Grumman	\$20,590,000
National Cable & Telecommunications Assn	\$19,870,000
American Hospital Assn	\$19,143,813
Comcast Corp	\$18,810,000
American Medical Assn	\$18,160,000
Pharmaceutical Rsrch & Mfrs of America	\$17,882,500
General Electric	\$16,130,000
AT&T Inc	\$15,935,000
Google Inc	\$15,800,000
Boeing Co	\$15,230,000
National Assn of Broadcasters	\$14,450,000
Lockheed Martin	\$14,436,226
Grocery Manufacturers Assn	\$14,300,000
United Technologies	\$13,900,373
Verizon Communications	\$13,703,000
Exxon Mobil	\$13,420,000

# TOP INDUSTRIES - 2013

Industry	Total
Pharmaceuticals/Health Products	\$225,483,937
Insurance	\$152,856,559
Oil & Gas	\$144,472,462
Computers/Internet	\$140,127,606
Electric Utilities	\$129,618,239
TV/Movies/Music	\$117,972,447
Business Associations	\$108,331,903
Securities & Investment	\$97,541,823
Misc Manufacturing & Distributing	\$96,476,715
Hospitals/Nursing Homes	\$91,376,021
Health Professionals	\$84,461,415
Education	\$83,554,851
Real Estate	\$81,589,522
Air Transport	\$78,395,483
Civil Servants/Public Officials	\$70,697,959
Health Services/HMOs	\$68,516,051
Commercial Banks	\$61,501,596
Chemical & Related Manufacturing	\$61,231,485
Automotive	\$58,188,857
Defense Aerospace	\$57,755,612

# Top Lobbyist Contributors, 2012 Cycle

Cycle: 2012 ▼

Contributions from Lobbyist c ▼

Lobbyist	Total	To Dems	To Repubs	To Super PACs
Gray, C Boyden	\$354,800	\$0	\$129,800	\$225,000
Cassidy, Gerald SJ	\$217,300	\$157,300	\$0	\$60,000
Woods, Andrew L	\$210,100	\$93,350	\$16,750	\$100,000
Podesta, Heather	\$192,800	\$116,300	\$1,500	\$75,000
Podesta, Tony	\$165,500	\$112,500	\$2,000	\$50,000
Elmendorf, Steven	\$146,400	\$113,400	\$0	\$8,000
Champlin, Steven M	\$137,400	\$106,900	\$0	\$27,000
Kies, Kenneth J	\$135,449	\$500	\$134,949	\$0
Hohlt, Richard F	\$134,800	\$2,500	\$95,800	\$35,500
Walter, Jeffrey M	\$125,530	\$0	\$119,530	\$0
O'Brien, Lawrence F III	\$125,125	\$116,125	\$0	\$5,000
Gephardt, Richard A	\$116,750	\$115,750	\$0	\$0

# Dick Gephardt

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From Wikipedia, the free encyclopedia

**Richard Andrew "Dick" Gephardt** (/ˈɡɛp.hɑːrt/; born January 31, 1941) is a former politician of the [Democratic Party](#). Gephardt served as a [U.S. Representative](#) from [Missouri](#) from January 3, 1977, until January 3, 2005, serving as [House Majority Leader](#) from 1989 to 1995, and as [Minority Leader](#) from 1995 to 2003. He also ran unsuccessfully for the Democratic nomination for [President of the United States](#) in 1988 and 2004. Gephardt was mentioned as a possible vice presidential nominee in 1988, 1992, 2000, 2004, and 2008.<sup>[1]</sup>

Since his retirement from politics, Gephardt has become a significant [lobbyist](#). He founded a Washington-based public affairs firm, Gephardt Government Affairs, and an Atlanta-based labor consultancy, the [Gephardt Group](#), as well as consulting for [DLA Piper](#), [FTI Consulting](#) and [Goldman Sachs](#).<sup>[2]</sup>



# EXPLAIN WHY LOBBYISTS ARE GOOD FOR AMERICA?

- They provide useful information to government
- They provide a means of participation for people
- They provide a means of representation on the basis of interest rather than geography. A “third house of Congress.”
- 1<sup>st</sup> Amendment protection
- Lobbyists have always spent money. It’s more out in the open.
- As Madison points out in *Federalist* #10, the “remedy” of curing the evils of faction by eliminating their causes is worse than the disease. Potential loss of liberty is worse than the abuses of lobbyists.

# **EXPLAIN WHY LOBBYISTS ARE BAD FOR AMERICA?**

- **Rich and powerful interests are over represented.**
- **Average and poor people are under represented.**
- **By safeguarding, liberty, equality is sacrificed.**
- **Single-issue lobbies, especially, contribute to political polarization.**
- **Lobbies contribute even further to diffusion of power, making it even more difficult for govt. to get things done.**

# REGULATION OF LOBBYING

## 1946 Federal Regulation of Lobbying Act and 1995 Lobbying Disclosure Act

- **Provisions**
  - Defines lobbyist as one whose “principal purpose” is to influence legislation.
  - Registration required of lobbyists.
  - Disclosure required of lobbyist’s employer, finances, and legislation to be influenced.
- **Loopholes**
  - “Principal purpose” is ambiguous – only 6800 of 80,000 lobbyists are registered.
  - Disclosure statements are merely filed, not analyzed.
  - No enforcement mechanism.
  - The act covers only lobbying of Congress, and omits lobbying of executive branch.